

FISCAL NOTE

HB 1377 - SB 1967

February 27, 2005

SUMMARY OF BILL: Requires industrial development corporations in Memphis to make payments in lieu of ad valorem taxes that, at a minimum, equal the portion of taxes levied by the municipality and allocated for educational purposes which otherwise would be due if the property were held in taxable status.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues – Exceeds \$1,000,000

Assumptions:

- \$21,050,802 in foregone property taxes in Shelby County in FY02 due to current economic development PILOT agreements.
- \$26,460,526 in foregone property taxes in Shelby County in FY03 due to current economic development PILOT agreements.
- 80% of the foregone property tax revenue in Shelby County due to current economic development PILOT agreements is attributable to Memphis.
- 27% of property tax revenue in Memphis is budgeted for education.
- Future foregone tax revenue attributable to such corporations will at least equal the foregone tax revenue in FY03.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director